

urge my colleagues to join me in supporting commonsense gun storage requirements so that fewer families will have to endure the pain of losing a child or loved one because of a preventable tragedy involving a firearm.

THE WINDFALL PROFITS REBATE ACT OF 2005

Mr. DORGAN. Mr. President, yesterday I introduced legislation called the Windfall Profits Rebate Act of 2005 that attempts to address the spiraling cost of oil and gasoline. Let me explain why I introduced this measure.

I come from a State of 642,000 citizens spread out in a landmass 10 times the size of Massachusetts.

As a result of being a large Northern Great Plains State with a small population and being a predominately agricultural State, we use a substantial amount of energy, specifically gasoline.

In fact, North Dakota uses twice as much gasoline per capita than New York does. Though these price spikes hurt all Americans, they are especially devastating to citizens who live in rural States.

Let me say first that the tragedy that we are witnessing on the Gulf Coast is devastating. The effects of Hurricane Katrina will be felt by the people of Louisiana, Mississippi and Alabama for a long time to come and my prayers go out to them in this time of need. The people in the gulf region have lost so much.

It is also the case that the hurricane has affected America's energy supply in the short term. A number of refineries were shut down. A couple of major pipelines were unable to operate and there has been and will be an impact on our energy supply and marketing as a result of this hurricane.

But it is important to understand that the price spikes we have seen with the price of oil and gasoline cannot be blamed exclusively on this hurricane.

We were headed down this road long before Hurricane Katrina hit.

In fact, since the beginning of 2004, we have seen the price of oil double from \$35 a barrel to nearly \$70 a barrel and that has resulted in consumers having to pay more than \$3 a gallon for gasoline in many parts of the country.

It is important to point out that at \$35 a barrel, the energy industry was making record profits. Now the oil industry claims that these higher prices are a result of supply-and-demand issues and that they need these additional profits for exploration.

However, I believe that the extra \$30 per barrel that is tacked on to a barrel of oil these days represents a windfall or excess profit to the major integrated oil companies, and I propose that we recapture part of that with an excise tax and rebate it to consumers who are paying these inflated gas prices.

Here are some numbers to remember: We use 21 million barrels of oil a day in this country. Forty percent of that

comes from domestically produced oil. The major integrated oil companies are larger and have more economic clout than they have had previously. They are experiencing the \$30-a-barrel increased price above the \$35 price that existed in January 2004, and that means they are reaping \$7 billion a month in windfall or excess profits. That is \$80 billion a year in excess or windfall profits. That is being paid by consumers who drive up to the service station and now receive the sticker shock of paying an arm and a leg for a tank full of gas.

A friend of mine gassed up his car and his son's car with 15 gallons in each car the other day and paid \$103.00 at the gas pump.

In addition to the windfall profits being gathered by the major integrated oil companies in our country, it is also the case that 60 percent of that which we use comes from off our shore. That has become a type of forced revenue sharing from American consumers to the Saudis, Kuwaitis, and others. There is not much we can do about that in the short term except to implement policies that try to wean us away from the addiction we have to foreign oil.

However, with respect to domestic companies and domestic production and domestic pricing, we can do something.

My legislation calls for a 50-percent excise tax on crude oil profits over \$40 a barrel when those prices are earned by the largest oil companies with the most ability to control the overall price. These are companies that, in many cases, move oil from the ground to gas pumps and control all of the processes in between. The revenue that would be collected from this excise tax would be used to provide a rebate to American consumers to help them offset the burden of higher energy costs that they are now forced to pay.

But my legislation also has a very important exemption. If the oil company is using the revenue from the extra \$30 a barrel they are receiving to increase exploration, or make investments to search for additional sources of energy, or to increase refining capacity, or to pursue investments in other renewable forms of energy, then that money would be exempt from this windfall profits tax.

In other words, these large companies would decide themselves whether they pay this tax. If they are buying back their stock or hoarding cash with which to engage in mergers and acquisitions, then they would be paying the excise tax and the consumers would be receiving the benefit of that excise tax.

I am not trying to hurt the oil companies or put them out of business. I want additional robust domestic exploration that would be exempt from the windfall profits tax.

However, American consumers should not pay these inflated prices just to fatten the corporate treasury of the major integrated oil companies.

The substantial rise in the price of oil and gas has produced both pain and

gain. The pain is for American consumers and the gain has been for the major integrated oil companies and OPEC countries, and I think Congress ought to weigh in on behalf of American consumers. That is what my bill attempts to do.

And with its exemption for investment in exploration, it does not attempt to help consumers by punishing oil companies.

I hope Congress will immediately consider adopting this measure and provide some help to American consumers at a time when gasoline prices are providing sticker shock every single day.

INQUIRY ON GASOLINE PRICES

Mr. NELSON of Nebraska. Mr. President, I appreciate this opportunity to speak about S. 1610, a bill requiring the Federal Trade Commission to conduct an inquiry into the retail price of gasoline. I thank my colleagues, Senators FRIST and HARRY REID, for their leadership and Senators LANDRIEU and VITTER and so many others for their efforts in working through this time of unprecedented destruction and human suffering.

I am here today to lend my support for giving U.S. gasoline consumers a more thorough understanding of the pricing mechanisms that are at play at the pump. The legislation I propose calls for the Federal Trade Commission to conduct an immediate study into whether rising gas prices are the result of a struggling market or whether market manipulation or a form of gouging is taking place during this time of tragedy.

Even before Hurricane Katrina, the Consumer Federation of America cited several reasons for the dramatic increase in gasoline prices, including tight crude oil inventories, inadequate oil refinery capacity, lack of competition and the oil industry's increasing market power. These are all plausible reasons for price spikes, but they are not enough to stop the questions of people concerned with their tighter budgets.

Between Nebraska and Iowa, more than 500 complaints have been made to State officials about high prices. Officials in both States indicate they have seen no evidence of market manipulation by retailers. Retailers are not singled out as the focus of this bill.

My bill calls for a 2-week study on the root of rising gasoline prices, including both regular gasoline and ethanol-blended gasoline. The report would then be forwarded to Congress for further action. If the report determines no market manipulation is occurring, the FTC would notify the U.S. Secretary of Energy, who would use the information to determine whether the Federal petroleum reserve would need to be tapped for additional oil.

But if manipulation is found, we will have the opportunity to act quickly.